

**INTERNATIONAL SHOE Co.**  
**MANUFACTURERS**  
1591-1595 Washington Avenue  
**St. Louis, Mo.**

**FINANCIAL STATEMENT**  
November 30, 1935

BOARD  
7-334-38  
INC.



# **INTERNATIONAL SHOE Co.**

**MANUFACTURERS**

**1501-1509 Washington Avenue**

**St. Louis, Mo.**

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## **FINANCIAL STATEMENT**

**November 30, 1935**

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## OFFICERS

FRANK C. RAND . . .	Chairman of the Board
WILLIAM H. MOULTON . . .	President
HORTON WATKINS . . .	Vice-President
JAMES T. PETTUS . . .	Vice-President
PAUL B. JAMISON . . .	Vice-President
OLIVER F. PETERS . . .	Vice-President
C. D. P. HAMILTON . . .	Vice-President
ANDREW W. JOHNSON . . .	Vice-President and Treasurer
BYRON A. GRAY . . .	Vice-President and Secretary
WILLIAM N. SITTON . . .	Assistant Treasurer
ALBERT H. JENKINS . . .	Assistant Secretary
ROBERT O. MONNIG . . .	Auditor

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## DIRECTORS

ROBERT E. BLAKE	ROBERT L. JORDAN
CLARENCE H. FIELDER	WILLIAM H. MOULTON
ARTHUR B. FLETCHER	OLIVER F. PETERS
BYRON A. GRAY	JAMES T. PETTUS
H. ROY GREEN	FRANK C. RAND
EDWARD J. HOPKINS	JOSEPH O. RAND
FRED HUME	CARLOS REESE
LEWIS B. JACKSON	WILLIAM N. SITTON
PAUL B. JAMISON	DICKSON S. STAUFFER
H. EDGAR JENKINS	SAMUEL M. TIPTON
ANDREW W. JOHNSON	GRIFFIN WATKINS
H. EUGENE JONES	HORTON WATKINS



December 31st, 1935.

TO OUR STOCKHOLDERS:

Financial report showing the results of the International Shoe Company's operation for the fiscal year ended November 30th, 1935, is submitted herewith.

Net sales to customers were \$83,073,459.99 compared with \$77,168,682.26 last year. Our factories produced 43,042,230 pairs of shoes, against 44,804,507 last year.

Subsidiary plants (sole leather and upper leather tanneries, textile mill, factories making all leather counters, heels and soles, rubber heels and soles, welting, box toes, cartons, containers, chemicals, cements, etc.), produced during 1935 shoe materials and shoe supplies amounting to \$35,084,035.11 which, combined with our sales, made an aggregate of \$118,157,495.10 business transacted.

Net earnings, after taxes, for the year were \$8,541,962.26 which represents an earning of \$2.55 a share on the Common Stock. This compares with \$8,967,024.44 or \$2.67 a share last year.

The Company's current assets of \$57,450,185.56 are thirteen times its current liabilities of \$4,336,925.76, which include a reserve for income taxes of \$1,800,000.00.

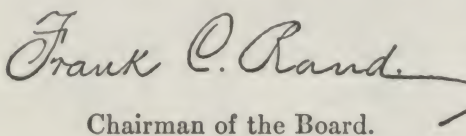
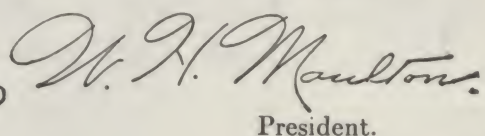
While the production in pairs this year shows a decrease of approximately 4% from last year, the Company actually sold and shipped to customers 10% more pairs of shoes this year than last. This accounts for the decrease in inventory of manufactured merchandise during 1935 as against a substantial increase in the same item the previous year.

Under normal conditions increased volume of approximately \$6,000,000.00 in sales would result in substantially increased earnings; but the desire to keep our prices within the reach of the average purse caused us to absorb the major part of increasing costs and sell our product on a closer margin of profit. This was done advisedly in the belief that such a course makes for good-will and strengthens the foundation of permanent success.

We begin the New Year with a well balanced stock of merchandise, a strong financial set-up and with an organization that is working with generous zeal and loyalty. These are the factors that point to another successful year for your Company.

Respectfully submitted,

INTERNATIONAL SHOE COMPANY.

Chairman of the Board.

President.

# INTERNATIONAL

CONSOLIDATED

As at Novem

## ASSETS

### CURRENT ASSETS:

Cash in Banks and on Hand.....	\$	18,808,159.29	
Accounts Receivable:			
Customers, less Reserve for Cash Dis-			
counts and Doubtful Accounts.....	\$	14,850,401.63	
Salesmen's Traveling Advances and			
Sundry Accounts.....		73,437.09	14,923,838.72
Inventories at lower of Cost or Market:			
Manufactured Merchandise.....	\$	8,631,818.50	
Raw Materials, Merchandise in Pro-			
cess, and Supplies.....		15,086,369.05	23,718,187.55
TOTAL CURRENT ASSETS.....			57,450,185.56
Expenses Paid in Advance—Insurance Premiums, Taxes, and			
Other Deferred Charges to Operations.....			398,673.66
Employees Notes Receivable (Under Installment Plans for			
Purchase of Common Stock) Secured by 48,900 Shares of			
Common Stock.....			522,000.89
Company's Own Common Stock—11,500 Shares at Net Cost....			328,308.01
Investment in Five Per Cent. Debentures and Capital Stock of			
Associated Company (Debentures \$2,000,000.00).....			2,045,000.00
Investment in Stocks and Bonds of Other Companies, Etc.			
(less Reserve).....			274,481.53
Physical Properties at Tanneries, Shoe Factories, Supply De-			
partments, and Sales Branches (Based on Appraisal as of			
April 30, 1925, plus Subsequent Additions at Cost):			
Land and Water Rights.....	\$	2,033,198.85	
Buildings and Structures.....		22,874,104.98	
Machinery and Equipment.....		17,666,576.14	
Lasts, Patterns, and Dies.....		1.00	
TOTAL.....		42,573,880.97	
Less—Reserve for Depreciation.....		20,407,609.83	
Net Depreciated Value of Physical Properties....			22,166,271.14
TOTAL.....	\$		83,184,920.79



# SHOE COMPANY

## BALANCE SHEET

December 30, 1935

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts Payable for Merchandise, Expenses, and Payrolls.....	\$ 2,238,497.26
Officers, Stockholders, and Employees Balances.....	298,428.50
TOTAL.....	2,536,925.76
Reserve for Federal Income Taxes.....	1,800,000.00
TOTAL CURRENT LIABILITIES.....	4,336,925.76
Insurance Reserves.....	564,866.19

#### CAPITAL STOCK:

Preferred Stock 6% Cumulative—Authorized 250,000 Shares of \$100.00 each— Outstanding.....	None
Common Stock — Authorized 4,000,000 Shares without Nominal or Par Value, whereof Issued and Outstanding — 3,350,000 Shares.....	\$ 50,250,000.00
Earned Surplus..... (Of the Earned Surplus \$328,308.01 used for the purchase of Company's Own Capital Stock as per Contra.)	28,033,128.84
TOTAL CAPITAL AND SURPLUS.....	\$ 78,283,128.84

TOTAL.....\$ 83,184,920.79

# INTERNATIONAL SHOE COMPANY

## CONSOLIDATED INCOME ACCOUNT

For the year ended November 30, 1935

Net Sales of Shoes and Other Manufactured Merchandise.....	\$	83,073,459.99
Cost of Shoes and Merchandise Sold, after charging Operating Expenses, Maintenance of Physical Properties, Selling, Administrative, and Warehouse Expenses, and Credit Losses, less Discount on Purchases.....	\$	71,701,729.20
Depreciation of Physical Properties.....	1,667,644.25	73,369,373.45
NET OPERATING PROFIT.....		9,704,086.54
Miscellaneous Income.....		327,513.02
NET EARNINGS.....		10,031,599.56
Provision for Income Taxes.....		1,489,637.30
NET INCOME FOR YEAR.....	\$	8,541,962.26

## COMMON STOCK CAPITAL AND CONSOLIDATED SURPLUS ACCOUNT

Common Stock Capital and Surplus, as at November 30, 1934:

Common Stock Capital (Outstanding 3,350,000 Shares)....	\$	50,250,000.00
Earned Surplus.....		27,001,777.08
		77,251,777.08

Net Income, for the year ended November 30, 1935.....		8,541,962.26
		85,793,739.34

Dividends Paid:

Common Stock, \$2.25 per Share.....	\$	7,537,500.00
Less—Dividends on Company's Own Common Stock.....	26,889.50	7,510,610.50

Common Stock Capital and Surplus, as at November 30, 1935....		78,283,128.84
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Divided as follows:

Common Stock Capital (Outstanding 3,350,000 Shares).....	50,250,000.00	
Earned Surplus.....	28,033,128.84	\$ 78,283,128.84

INTERNATIONAL SHOE COMPANY,  
St. Louis, Missouri.

We have made an examination of the Consolidated Balance Sheet of the International Shoe Company and Subsidiary Companies as at November 30, 1935 and of the Consolidated Income and Surplus Accounts for the year ended on that date. In connection therewith, we examined or tested accounting records of the Companies and other supporting evidence and obtained information and explanations from officers and employees of the Companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

In our opinion, based upon such examination, the accompanying Consolidated Balance Sheet and related Consolidated Income and Surplus Accounts fairly present, in accordance with accepted principles of accounting consistently maintained by the Companies during the year under review, their consolidated position at November 30, 1935 and the results of their operations for the year.

St. Louis, Missouri,  
December 24, 1935.

PEAT, MARWICK MITCHELL & Co.



## SALES BRANCHES

### ST. LOUIS

Roberts, Johnson & Rand  
Peters  
Friedman-Shelby  
Continental Shoemakers  
Pennant Shoe Co.  
Vitality Shoe Co.  
Queen Quality Shoe Co.  
Dorothy Dodd Shoe Co.  
Winthrop Shoe Co.

### NEW YORK

Morse & Rogers

### BOSTON

Hutchinson-Winch

### MANCHESTER, N. H.

Great Northern Shoe Co.  
Interstate Shoe Co.

## SHOE FACTORIES AND SUBSIDIARY PLANTS

### MISSOURI

St. Louis  
Hickory St. & Mississippi Ave.  
Broadway, Cherokee St. & Lemp Ave.  
St. Louis & Jefferson Aves.  
Thirteenth & Mullanphy Sts.  
Twelfth & North Market Sts.  
Jefferson Ave. & Madison St.  
3417 Locust St.  
Bland  
Cape Girardeau  
De Soto  
Fulton  
Hannibal  
Seventh & Collier Sts.  
S. W. Cor. Maple Ave. & Collier St.  
S. E. Cor. Maple Ave. & Collier St.  
Hermann  
Higginsville  
Jackson  
Jefferson City  
Bolivar & McCarty Sts.  
Main & Linn Sts.  
Kirksville  
Marshall  
Mexico  
Perryville  
St. Charles  
St. Clair  
Sikeston  
Sullivan  
Sweet Springs  
Washington  
Windsor

### ILLINOIS

Anna  
Belleville  
Chester  
Evansville  
Flora  
Jerseyville  
Mt. Vernon  
Olney  
Quincy  
Springfield  
Steeleville

### NEW HAMPSHIRE

Claremont  
Keene  
Manchester  
Nashua  
Newport

### KENTUCKY

Paducah

### ARKANSAS

Malvern

## TANNERIES

### ILLINOIS

South Wood River

### MISSOURI

St. Louis  
Thirteenth & Mullanphy Sts.

### NEW HAMPSHIRE

Manchester  
Merrimack

### NORTH CAROLINA

Morganton  
North Wilkesboro

### PENNSYLVANIA

Philadelphia







